From: Parker, Lindsay <Lindsay.Parker@vermont.gov> Sent: Mon 2/8/2016 9:48 AM

To: William Lippert; Anne Donahue

Cc: Loring Starr; Costantino, Steven; Green, Devon; Berliner, Ashley; Gregorek, Sarah; Hathaway, Carrie

DVHA Response to Question Re: Provider Tax Proposal Subject:

## Hello Representatives Lippert and Donahue,

During budget testimony from DVHA last week, there was a request for additional information on the rationale for selection of certain provider types included in the administration's provider tax proposal. Please see the below response.

Physicians and dentists were selected because these are a fairly broad base of providers. The administration was also balancing how many new classes of tax payers would make sense to include and the administrative costs of doing so. In addition, hospitals have argued in their provider tax appeals that there is an unfairness to taxing services provided by physicians that provide revenue to hospitals, without taxing all physician services.

Thank you, Lindsay

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